



THE HERNE HILL SOCIETY

Reserves Policy - October 2024

Why should the Herne Hill Society hold a reserve?

To date, the Herne Hill Society has always been able to cover its expenditure from its annual income and from donations. It is however prudent financial practice to hold a financial reserve to protect against unexpected drops in income. A Reserves Policy is also recommended by the Charity Commission to show that a charity's activities are sustainable, to demonstrate resilience and a capacity to manage unforeseen financial difficulties, and to explain externally why unspent year-end funds might be held.

The Herne Hill Society has therefore decided that a portion of its funds should be held as a reserve to enable it to continue operating as normal as possible for up to two years whilst it determines its future in accordance with its Constitution. The Society's previous Reserves Policy was adopted in December 2018.

How much should be kept in reserve?

The amount held in reserve will include the equivalent of two years income from membership subscriptions. This will allow the Society to continue to publish and distribute the Herne Hill magazine three times a year for a further two years and meet other obligations such as subscriptions to organisations of which it is a member. For 2022 and 2023 total subscription income (including Gift Aid) was approximately £6,700. This sum will therefore be held as a reserve.

The Society actively welcomes Small Grant applications from organisations and groups that support its objectives. Up to two grants of £500 each a year are typically made and an additional sum of £1,500 will therefore be held to fund the Society's Small Grants Scheme for up to two years. The Society anticipates that it will need to spend around £850 a year to maintain its website (£1,700 in total), and to spend a further £900 on storage. An additional sum of £2,600 will therefore be held for these purposes.

A successful Awards Ceremony was held in 2023 and a similar event is planned for 2025 at an approximate cost of £1,000. The Society is also progressing a local historic plaques project at an approximate cost of £1,000. A further sum of £2,000 will therefore be held to cover these initiatives.

The Society does not currently hold a Restricted Fund, nor does it have any appreciable debts.

The total amount to be held in reserve is therefore:

2 years subscription income	£6,700
Small Grants	£1,500
Website and IT costs	£1,700
Storage costs	£900
2025 Awards Ceremony	£1,000
Historic plaques project	£1,000
Total	£12,800

How and when should the reserve be spent?

The reserve will be spent against authorised expenditure that furthers the Society's Objectives as set out in its Constitution. This includes covering any shortfall in annual income.

When will the Reserves Policy be next reviewed?

The Reserves Policy and the amount set aside will be reviewed every three years, usually at the end of the relevant financial year. This Policy should therefore be reviewed again in December 2027.